Diversion with services (vs. traditional juvenile court processing)
Juvenile Justice
Benefit-cost estimates updated December 2016. Literature review updated July 2015.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our Technical Documentation.

Program Description: Diversion is an alternative to formal sanctions or processing in the juvenile justice system. A primary goal of diversion is to alleviate the negative consequences associated with the juvenile justice system, such as stigmatizing youth as deviant or providing youth opportunities to learn deviant behavior through further exposure to more serious offenders. By diverting youth out of the juvenile justice system, youth can maintain attachment to pro-social norms in their communities. Youth are provided with community-based services.

Diversion programs included in this meta-analysis vary in structure and processing as well as the type of youth who are diverted. While some programs divert youth at the initial stages of the juvenile justice system (e.g., law enforcement), others divert youth once they reach the juvenile courts. This meta-analysis includes diversion programs coupled with treatment compared to youth who were processed traditionally through the juvenile courts. We used multiple regression to explore whether some program characteristics—such as diversion at the police level (as opposed to the juvenile court level) or diversion coupled with treatment—were more effective at reducing recidivism. We found no statistically significant effects associated with these two program characteristics.

Benefit-Cost Summary Statistics Per Participant

Benefits to:			
Taxpayers	$912	Benefit to cost ratio	n/a
Participants	$343	Benefits minus costs	$4,068
Others	$1,513	Chance the program will produce	
Indirect	$733	benefits greater than the costs	98 %
Total benefits	$3,501		
Net program cost	$566		
Benefits minus cost	$4,068		

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2015). The chance the benefits exceed the costs are derived from a Monte Carlo risk analysis. The details on this, as well as the economic discount rates and other relevant parameters are described in our Technical Documentation.

Detailed Monetary Benefit Estimates Per Participant

Benefits from changes to:[1]	Benefits to:				
	Participants	Taxpayers	Others[2]	Indirect[3]	Total
Crime	$0	$716	$1,391	$359	$2,466
Labor market earnings associated with high school graduation	$382	$174	$176	$79	$811
Health care associated with educational attainment	($11)	$41	($45)	$21	$5
Costs of higher education	($28)	($19)	($9)	($9)	($65)
Adjustment for deadweight cost of program	$0	$0	$0	$284	$284
Totals	$343	$912	$1,513	$733	$3,501

[1] In addition to the outcomes measured in the meta-analysis table, WSIPP measures benefits and costs estimated from other outcomes associated with those reported in the evaluation literature. For example, empirical research demonstrates that high school graduation leads to reduced crime. These associated measures provide a more complete picture of the detailed costs and benefits of the program.

[2] "Others" includes benefits to people other than taxpayers and participants. Depending on the program, it could include reductions in crime victimization, the economic benefits from a more educated workforce, and the benefits from employer-paid health insurance.

[3] "Indirect benefits" includes estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

Detailed Annual Cost Estimates Per Participant

	Annual cost	Year dollars	Summary	
Program costs	$853	2014	Present value of net program costs (in 2015 dollars)	$566
Comparison costs	$1,300	2008	Cost range (+ or -)	10 %

Depending on the population, diversion can last from 1 to 12 months. The per-participant cost estimate for diverted youth was provided by the Thurston County Juvenile Court. The comparison group cost estimate assumes youth would have been on probation for three months and was derived using probation cost data from WSIPP's benefit-cost model.

The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta-analysis. The cost range reported above reflects potential variation or uncertainty in the cost estimate; more detail can be found in our Technical Documentation.

Detailed Annual Cost Estimates Per Participant
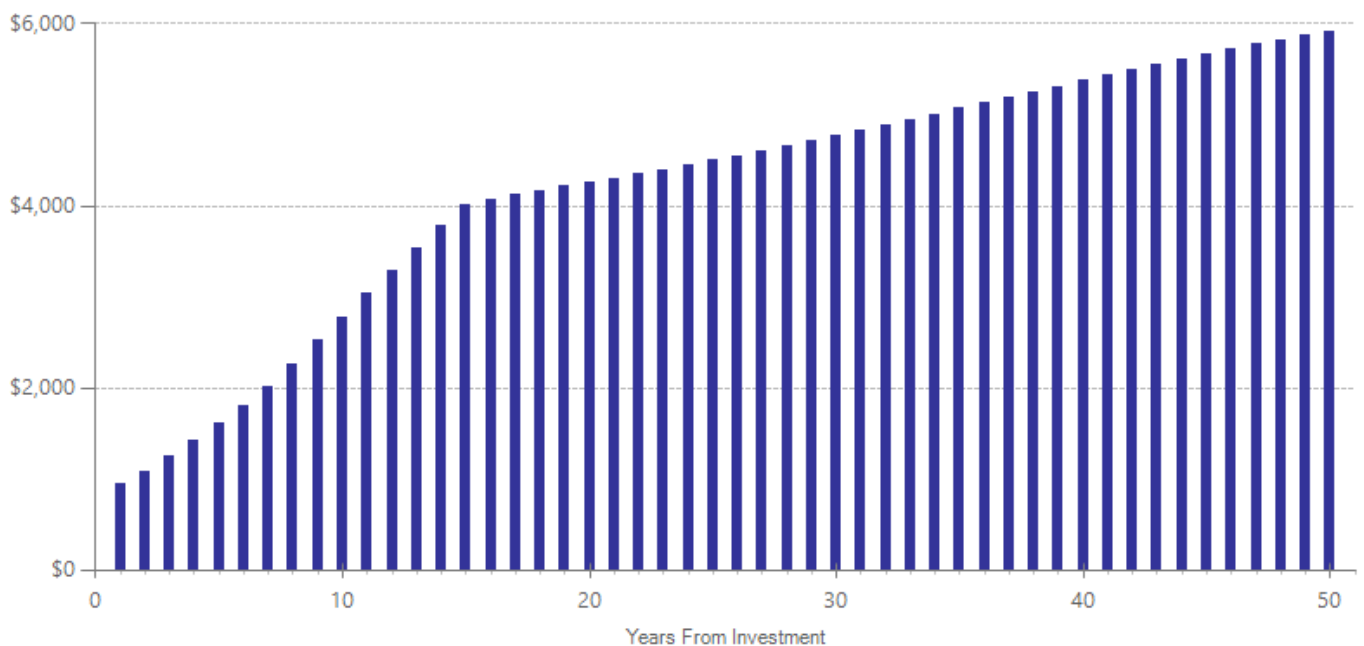
The graph above illustrates the estimated cumulative net benefits per-participant for the first fifty years beyond the initial investment in the program. We present these cash flows in non-discounted dollars to simplify the "break-even" point from a budgeting perspective. If the dollars are negative (bars below $0 line), the cumulative benefits do not outweigh the cost of the program up to that point in time. The program breaks even when the dollars reach $0. At this point, the total benefits to participants, taxpayers, and others, are equal to the cost of the program. If the dollars are above $0, the benefits of the program exceed the initial investment.

Meta-Analysis of Program Effects

Outcomes measured	No. of effect sizes	Treatment N	Adjusted effect sizes and standard errors used in the benefit-cost analysis						Unadjusted effect size (random effects model)	
			First time ES is estimated			Second time ES is estimated				
			ES	SE	Age	ES	SE	Age	ES	p-value
Crime	18	5638	-0.054	0.034	18	-0.054	0.034	28	-0.079	0.007

Meta-analysis is a statistical method to combine the results from separate studies on a program, policy, or topic in order to estimate its effect on an outcome. WSIPP systematically evaluates all credible evaluations we can locate on each topic. The outcomes measured are the types of program impacts that were measured in the research literature (for example, crime or educational attainment). Treatment N represents the total number of individuals or units in the treatment group across the included studies.

An effect size (ES) is a standard metric that summarizes the degree to which a program or policy affects a measured outcome. If the effect size is positive, the outcome increases. If the effect size is negative, the outcome decreases.

Adjusted effect sizes are used to calculate the benefits from our benefit cost model. WSIPP may adjust effect sizes based on methodological characteristics of the study. For example, we may adjust effect sizes when a study has a weak research design or when the program developer is involved in the research. The magnitude of these adjustments varies depending on the topic area.

WSIPP may also adjust the second ES measurement. Research shows the magnitude of some effect sizes decrease over time. For those effect sizes, we estimate outcome-based adjustments which we apply between the first time ES is estimated and the second time ES is estimated. We also report the unadjusted effect size to show the effect sizes before any adjustments have been made. More details about these adjustments can be found in our Technical Documentation.

Citations Used in the Meta-Analysis

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